

1 HOUSE BILL NO. 676

2 INTRODUCED BY J. SESSO

3 BY REQUEST OF THE HOUSE APPROPRIATIONS STANDING COMMITTEE

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6 A BILL FOR AN ACT ENTITLED: "AN ACT IMPLEMENTING THE GENERAL APPROPRIATIONS ACT;
7 ELIMINATING GENERAL FUND TRANSFERS TO THE HIGHWAY NONRESTRICTED STATE SPECIAL
8 REVENUE ACCOUNT; RESTRICTING TRANSFERS OF CIGARETTE TAXES ALLOCATED FOR THE
9 SUPPORT OF VETERANS' NURSING HOMES; REQUIRING THE DEPARTMENT OF PUBLIC HEALTH AND
10 HUMAN SERVICES TO DEVELOP ALTERNATIVE METHODS OF DELIVERING SERVICES AND TO DEVELOP
11 GOALS, MILESTONES, AND MEASURES TO GUIDE THE REVIEW OF ALTERNATIVES; RESTRICTING THE
12 TRANSFER OF THE UNRESERVED BALANCE IN THE COAL SEVERANCE TAX COMBINED ACCOUNT;
13 REQUIRING REPORTS BY THE OFFICE OF PUBLIC DEFENDER; REQUIRING THE ADOPTION OF RULES
14 RELATING TO THE WORKING CARETAKER RELATIVE PROGRAM UNDER TANF; CHANGING THE
15 LEAF-CUTTING BEE ENTERPRISE FUND TO A STATE SPECIAL REVENUE ACCOUNT; PROVIDING A FUND
16 TRANSFER FROM THE WATER ADJUDICATION STATE SPECIAL REVENUE ACCOUNT TO THE NATURAL
17 RESOURCES OPERATIONS STATE SPECIAL REVENUE ACCOUNT; PROVIDING A FUND TRANSFER
18 FROM THE ENVIRONMENTAL QUALITY PROTECTION FUND TO THE NATURAL RESOURCES
19 OPERATIONS STATE SPECIAL REVENUE ACCOUNT; REQUIRING A REPORT BY THE DEPARTMENT OF
20 TRANSPORTATION ON EMERGENCY MEDICAL SERVICES GRANTS; ELIMINATING THE RENAL DISEASE
21 TREATMENT PROGRAM; AMENDING SECTIONS 2-15-3004, 7-14-112, 10-2-112, 10-2-603, 10-3-801,
22 15-1-122, 15-35-108, 15-38-301, 16-11-119, 17-7-111, 47-1-201, 53-4-212, 75-10-704, 80-6-1109, AND
23 85-2-280, MCA; REPEALING SECTIONS 15-30-169, 50-44-101, 50-44-102, AND 50-44-103, MCA; AND
24 PROVIDING AN EFFECTIVE DATE, A RETROACTIVE APPLICABILITY DATE, AND A TERMINATION DATE."

25
26 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

27
28 **Section 1.** Section 2-15-3004, MCA, is amended to read:

29 **"2-15-3004. Montana alfalfa seed committee -- composition -- allocation.** (1) There is a Montana
30 alfalfa seed committee composed of eight members as follows:

(a) five members appointed by the governor who are citizens of Montana and who are actively engaged in the growing of alfalfa seed within the state, deriving a substantial portion of their income from handling, packing, shipping, buying, or selling alfalfa seed, or acting as a broker or factor of alfalfa seed. These five members must be compensated as provided in 80-11-305.

(b) two members appointed by the governor who are citizens of Montana and who are actively engaged in the growing of alfalfa seed within the state and the rearing of alfalfa leaf-cutting bees. Each member must be compensated from the ~~enterprise fund~~ state special revenue account established in 80-6-1109 at \$25 for each day in which the member is engaged in the official business of the committee, plus expenses as provided for in 2-18-501 through 2-18-503.

(c) the director of the department of agriculture or the director's authorized representative.

(2) A list of nominees for appointment may be submitted to the governor by the Montana alfalfa seed association, the Montana seed trade association, the Montana seed growers association, and any other organization representing alfalfa seed growers or dealers. Names of nominees must be submitted at least 91 days before the expiration of a committee member's term. The governor shall appoint members from among the persons nominated.

(3) The appointed members serve staggered terms of 3 years. The initial appointments are as follows: two members for 1-year terms, two members for 2-year terms, and three members for 3-year terms.

(4) The committee is allocated to the department of agriculture for administrative purposes only as prescribed in 2-15-121."

Section 2. Section 7-14-112, MCA, is amended to read:

"7-14-112. Senior citizen and persons with disabilities transportation services account -- use. (1)

There is a senior citizen and persons with disabilities transportation services account in the state special revenue fund. Money must be deposited in the account pursuant to ~~15-1-122(3)(e)~~ 15-1-122(2)(e).

(2) Except as provided in subsection (6), the account must be used to provide operating funds or matching funds for operating grants pursuant to 49 U.S.C. 5311 to counties, incorporated cities and towns, transportation districts, or nonprofit organizations for transportation services for persons 60 years of age or older and for persons with disabilities.

(3) (a) Subject to the conditions of subsection (3)(b), the department of transportation is authorized to award grants to counties, incorporated cities and towns, transportation districts, and nonprofit organizations for

1 transportation services using guidelines established in the state management plan for the purposes described
2 in 49 U.S.C. 5310 and 5311.

3 (b) Priority for awarding grants must be determined according to the following factors:

4 (i) the most recent census or federal estimate of persons 60 years of age or older and persons with
5 disabilities in the area served by a county, incorporated city or town, transportation district, or nonprofit
6 organization;

7 (ii) the annual number of trips provided by the transportation provider to persons 60 years of age or older
8 and to persons with disabilities in the transportation service area;

9 (iii) the ability of the transportation provider to provide matching money in an amount determined by the
10 department of transportation; and

11 (iv) the coordination of services as required in subsection (5).

12 (4) The department of transportation shall ensure that the available funding is distributed equally among
13 the five transportation districts provided in 2-15-2502.

14 (5) In awarding grants, the department of transportation shall give preference to proposals that:

15 (a) include the establishment of a transit authority to coordinate service area or regional transportation
16 services;

17 (b) address and document the transportation needs within the community, county, and service area or
18 region;

19 (c) identify all other transportation providers in the community, county, and service area or region;

20 (d) explain how services are going to be coordinated with the other transportation providers in the service
21 area or region;

22 (e) indicate how services are going to be expanded to meet the unmet needs of senior citizens and
23 disabled persons within the community, county, and service area or region who are dependent upon public transit;

24 (f) include documentation of coordination with other local transportation programs within the community,
25 county, and service area or region, including:

26 (i) utilization of existing resources and equipment to maximize the delivery of service; and

27 (ii) the projected increase in ridership and expansion of service;

28 (g) invite school districts to participate or be included in the transportation coordination efforts within the
29 community, county, and service area or region; and

30 (h) at a minimum, comply with the provisions in subsections (5)(b) through (5)(f).

(6) Any money remaining after grants have been awarded to transportation providers who provide transportation services for persons 60 years of age or older and persons with disabilities may be awarded to other transportation providers for operating costs or matching funds for operating grants for the purposes described in 49 U.S.C. 5311 other than for transportation services for persons 60 years of age or older or persons with disabilities."

Section 3. Section 10-2-112, MCA, is amended to read:

"10-2-112. Veterans' services special revenue account -- sources of funds -- designated uses. (1)

There is a veterans' services account in the state special revenue fund, established pursuant to 17-2-102(1)(b), to the credit of the board.

(2) Money transferred pursuant to ~~15-1-122(3)(d)~~ 15-1-122(2)(d) from license plate sales as described in 10-2-114 and from gifts, grants, or donations must be deposited in the veterans' services account.

(3) Legislative appropriations of money in the veterans' services account must be used for the purposes identified in 10-2-102 or other functions authorized by the board.

(4) There is a veterans' services federal account in the federal special revenue fund established for federal funds received under 10-2-106."

Section 4. Section 10-2-603, MCA, is amended to read:

"10-2-603. Special revenue account -- use of funds -- solicitation. (1) There is an account in the special revenue fund to the credit of the board for the state veterans' cemeteries.

(2) Plot allowances, donations to the cemetery program, and fund transfers pursuant to ~~15-1-122(3)(d)~~ 15-1-122(2)(d) must be deposited into the account.

(3) The account is statutorily appropriated, as provided in 17-7-502, to the board and may be used only for the construction, maintenance, operation, and administration of the state veterans' cemeteries.

(4) The board shall solicit veterans' license plate sales and donations on behalf of the state veterans' cemeteries."

Section 5. Section 10-3-801, MCA, is amended to read:

"10-3-801. Account created for funding search and rescue operations -- rules. (1) There is an account in the state special revenue fund established in 17-2-102. The account must be administered by the

1 disaster and emergency services division of the department exclusively for the purposes of search and rescue
2 as provided in this section. The department may retain up to 5% of the money in the account to pay its costs of
3 administering this section.

4 (2) There must be deposited in the account:

5 (a) fund transfers pursuant to ~~45-1-122(3)(f)~~ 15-1-122(2)(f);

6 (b) fund transfers pursuant to 87-1-601(9). These funds may be used only as provided in 87-1-601(9).

7 (c) all money received by the department in the form of gifts, grants, reimbursements, or appropriations
8 from any source intended to be used for search and rescue operations.

9 (3) (a) Not less than 50% of the money in the account must be used by the department to defray costs
10 of:

11 (i) local search and rescue units for search and rescue missions conducted through a county sheriff's
12 office at a maximum of \$3,000 for each rescue mission, regardless of the number of counties or county search
13 and rescue organizations involved. To fulfill the purposes of this subsection (3)(a)(i), the department shall transmit
14 reimbursement money to the county treasurer, who shall deposit the funds in a separate search and rescue fund
15 accessible by the local search and rescue unit that requested the reimbursement. The county treasurer shall
16 notify the reimbursed local search and rescue unit by mail when the deposit occurs.

17 (ii) a county sheriff's office at a maximum of \$3,000 for each rescue mission, regardless of the number
18 of counties or county search and rescue organizations involved.

19 (b) The remaining money in the account may be used by the department:

20 (i) to match local funds for the purchase of equipment for use by local search and rescue units at a
21 maximum of \$2,000 for each unit in a calendar year. The cost-sharing match must be 35% local funds to 65%
22 from the account.

23 (ii) for reimbursement of expenses related to the training of search and rescue volunteers.

24 (4) The department may adopt rules to implement the proper administration of the account. The rules
25 may include:

26 (a) a method of reimbursing local search and rescue units or a county sheriff's office, on a case-by-case
27 basis, for authorized search and rescue operations conducted pursuant to subsection (3)(a), including verification
28 of search missions, claims procedures, fiscal accountability, and the number and circumstances of search
29 missions involving persons engaged in hunting, fishing, and trapping in a fiscal year;

30 (b) methods for processing requests for equipment matching funds and training funds made pursuant

1 to subsection (3)(b), including any verification and accounting necessary to ensure that the provisions of
2 subsection (3)(b) are met, and determining the percentage of all search missions involving persons engaged in
3 hunting, fishing, or trapping in a fiscal year;

4 (c) a system involving input from representatives of county sheriff organizations and state and local
5 search and rescue organizations for assistance in verifying and processing claims for reimbursement, equipment,
6 and training; and

7 (d) a method for compiling and keeping current a contact list of all search and rescue units in Montana
8 and in neighboring states and provinces in order to ensure collaboration, communication, and cooperation
9 between the various county search and rescue units and between the department and the county units and
10 dedication of a page on the department's website for posting the contact list and other relevant search and rescue
11 information."

12
13 **Section 6.** Section 15-1-122, MCA, is amended to read:

14 **"15-1-122. Fund transfers.** (1) There is transferred from the state general fund to the adoption services
15 account, provided for in 42-2-105, a base amount of \$36,764, and the amount of the transfer must be increased
16 by 10% in each succeeding fiscal year.

17 ~~(2) There is transferred from the state general fund to the department of transportation state special~~
18 ~~revenue nonrestricted account a base amount of \$3,050,205, increased by 1.5% in each succeeding fiscal year.~~

19 ~~(3)(2)~~ (2) For each fiscal year, there is transferred from the state general fund to the accounts, entities, or
20 recipients indicated the following amounts:

21 (a) to the motor vehicle recycling and disposal program provided for in Title 75, chapter 10, part 5, 1.48%
22 of the motor vehicle revenue deposited in the state general fund in each fiscal year. The amount of 9.48% of the
23 allocation in each fiscal year must be used for the purpose of reimbursing the hired removal of abandoned
24 vehicles. Any portion of the allocation not used for abandoned vehicle removal reimbursement must be used as
25 provided in 75-10-532.

26 (b) to the noxious weed state special revenue account provided for in 80-7-816, 1.50% of the motor
27 vehicle revenue deposited in the state general fund in each fiscal year;

28 (c) to the department of fish, wildlife, and parks:

29 (i) 0.46% of the motor vehicle revenue deposited in the state general fund, with the applicable
30 percentage to be:

1 (A) used to:

2 (I) acquire and maintain pumpout equipment and other boat facilities, 4.8% in each fiscal year;

3 (II) administer and enforce the provisions of Title 23, chapter 2, part 5, 19.1% in each fiscal year;

4 (III) enforce the provisions of 23-2-804, 11.1% in each fiscal year; and

5 (IV) develop and implement a comprehensive program and to plan appropriate off-highway vehicle
6 recreational use, 16.7% in each fiscal year; and

7 (B) deposited in the state special revenue fund established in 23-1-105 in an amount equal to 48.3% in
8 each fiscal year;

9 (ii) 0.10% of the motor vehicle revenue deposited in the state general fund in each fiscal year, with 50%
10 of the amount to be used for enforcing the purposes of 23-2-601, 23-2-602, 23-2-611, 23-2-614 through 23-2-618,
11 23-2-621, 23-2-622, 23-2-631 through 23-2-635, and 23-2-641 through 23-2-644 and 50% of the amount
12 designated for use in the development, maintenance, and operation of snowmobile facilities; and

13 (iii) 0.16% of the motor vehicle revenue deposited in the state general fund in each fiscal year to be
14 deposited in the motorboat account to be used as provided in 23-2-533;

15 (d) 0.64% of the motor vehicle revenue deposited in the state general fund in each fiscal year, with
16 24.55% to be deposited in the state veterans' cemetery account provided for in 10-2-603 and with 75.45% to be
17 deposited in the veterans' services account provided for in 10-2-112(1);

18 (e) 0.30% of the motor vehicle revenue deposited in the state general fund in each fiscal year for deposit
19 in the state special revenue fund to the credit of the senior citizens and persons with disabilities transportation
20 services account provided for in 7-14-112; and

21 (f) to the search and rescue account provided for in 10-3-801, 0.04% of the motor vehicle revenue
22 deposited in the state general fund in each fiscal year.

23 ~~(4)~~(3) For the purposes of this section, "motor vehicle revenue deposited in the state general fund"
24 means revenue received from:

25 (a) fees for issuing a motor vehicle title paid pursuant to 61-3-203;

26 (b) fees, fees in lieu of taxes, and taxes for vehicles, vessels, and snowmobiles registered or reregistered
27 pursuant to 61-3-321 and 61-3-562;

28 (c) GVW fees for vehicles registered for licensing pursuant to Title 61, chapter 3, part 3; and

29 (d) all money collected pursuant to 15-1-504(3).

30 ~~(5)~~(4) The amounts transferred from the general fund to the designated recipient must be appropriated

as state special revenue in the general appropriations act for the designated purposes."

Section 7. Section 15-35-108, MCA, is amended to read:

"15-35-108. (Temporary) Disposal of severance taxes. Severance taxes collected under this chapter must, in accordance with the provisions of 17-2-124, be allocated as follows:

(1) Fifty percent of total coal severance tax collections is allocated to the trust fund created by Article IX, section 5, of the Montana constitution. The trust fund money must be deposited in the fund established under 17-6-203(6) and invested by the board of investments as provided by law.

(2) The amount of 12% of coal severance tax collections is allocated to the long-range building program account established in 17-7-205.

(3) The amount of 5.46% must be credited to an account in the state special revenue fund to be allocated by the legislature for provision of basic library services for the residents of all counties through library federations and for payment of the costs of participating in regional and national networking, conservation districts, and the Montana Growth Through Agriculture Act. Expenditures of the allocation may be made only from this account. Money may not be transferred from this account to another account other than the general fund. ~~Any~~ Beginning July 1, 2012, any unreserved fund balance at the end of each fiscal year must be deposited in the general fund.

(4) The amount of 1.27% must be allocated to a permanent fund account for the purpose of parks acquisition or management. Income from this permanent fund account, excluding unrealized gains and losses, must be appropriated for the acquisition, development, operation, and maintenance of any sites and areas described in 23-1-102.

(5) The amount of 0.95% must be allocated to the debt service fund type to the credit of the renewable resource loan debt service fund.

(6) The amount of 0.63% must be allocated to a trust fund for the purpose of protection of works of art in the capitol and for other cultural and aesthetic projects. Income from this trust fund account, excluding unrealized gains and losses, must be appropriated for protection of works of art in the state capitol and for other cultural and aesthetic projects.

(7) The amount of 2.9% must be credited to the oil, gas, and coal natural resource account established in 90-6-1001.

(8) After the allocations are made under subsections (2) through (7), \$250,000 for the fiscal year must be credited to the coal and uranium mine permitting and reclamation program account established in 82-4-244.

(9) (a) Subject to subsection (9)(b), all other revenue from severance taxes collected under the provisions of this chapter must be credited to the general fund of the state.

(b) The interest income from \$140 million of the coal severance tax permanent fund that is deposited in the general fund is statutorily appropriated, as provided in 17-7-502, on an annual basis as follows:

(i) \$65,000 to the cooperative development center;

(ii) \$1.25 million for the growth through agriculture program provided for in Title 90, chapter 9;

(iii) \$3.65 million to the research and commercialization state special revenue account created in 90-3-1002;

(iv) to the department of commerce:

(A) \$125,000 for a small business development center;

(B) \$50,000 for a small business innovative research program;

(C) \$425,000 for certified regional development corporations;

(D) \$200,000 for the Montana manufacturing extension center at Montana state university-Bozeman;

and

(E) \$300,000 for export trade enhancement. (Terminates June 30, 2010--sec. 6, Ch. 481, L. 2003.)

15-35-108. (Effective July 1, 2010) Disposal of severance taxes. Severance taxes collected under this chapter must, in accordance with the provisions of 17-2-124, be allocated as follows:

(1) Fifty percent of total coal severance tax collections is allocated to the trust fund created by Article IX, section 5, of the Montana constitution. The trust fund money must be deposited in the fund established under 17-6-203(6) and invested by the board of investments as provided by law.

(2) The amount of 12% of coal severance tax collections is allocated to the long-range building program account established in 17-7-205.

(3) The amount of 5.46% must be credited to an account in the state special revenue fund to be allocated by the legislature for provision of basic library services for the residents of all counties through library federations and for payment of the costs of participating in regional and national networking, conservation districts, and the Montana Growth Through Agriculture Act. Expenditures of the allocation may be made only from this account. Money may not be transferred from this account to another account other than the general fund. ~~Any~~ Beginning July 1, 2012, any unreserved fund balance at the end of each fiscal year must be deposited in the general fund.

(4) The amount of 1.27% must be allocated to a permanent fund account for the purpose of parks acquisition or management. Income from this permanent fund account, excluding unrealized gains and losses,

1 must be appropriated for the acquisition, development, operation, and maintenance of any sites and areas
2 described in 23-1-102.

3 (5) The amount of 0.95% must be allocated to the debt service fund type to the credit of the renewable
4 resource loan debt service fund.

5 (6) The amount of 0.63% must be allocated to a trust fund for the purpose of protection of works of art
6 in the capitol and for other cultural and aesthetic projects. Income from this trust fund account, excluding
7 unrealized gains and losses, must be appropriated for protection of works of art in the state capitol and for other
8 cultural and aesthetic projects.

9 (7) The amount of 2.9% must be credited to the oil, gas, and coal natural resource account established
10 in 90-6-1001.

11 (8) After the allocations are made under subsections (2) through (7), \$250,000 for the fiscal year must
12 be credited to the coal and uranium mine permitting and reclamation program account established in 82-4-244.

13 (9) All other revenue from severance taxes collected under the provisions of this chapter must be
14 credited to the general fund of the state."
15

16 **Section 8.** Section 15-38-301, MCA, is amended to read:

17 **"15-38-301. Natural resources operations state special revenue account created -- revenue**
18 **allocated -- appropriations from account.** (1) There is a natural resources operations state special revenue
19 account within the state special revenue fund established in 17-2-102.

20 (2) Except to the extent required to be credited to the renewable resource loan debt service fund
21 pursuant to 85-1-603, there must be paid into the natural resources operations state special revenue account:

22 (a) the interest income of the resource indemnity trust fund as provided in and subject to the conditions
23 of 15-38-202;

24 (b) the metal mines license tax proceeds as provided in 15-37-117(1)(d);

25 (c) the oil and natural gas production tax as provided in 15-36-331; ~~and~~

26 (d) any fees or charges collected by the department pursuant to 85-1-616 for the servicing of loans,
27 including arrangements for obtaining security interests; and

28 (e) fund transfers by the legislature.

29 (3) Appropriations may be made from the natural resources operations state special revenue account
30 for administrative expenses, including salaries and expenses for personnel and equipment, office space, and

other expenses necessarily incurred in the administration of natural resources operations."

Section 9. Section 16-11-119, MCA, is amended to read:

"16-11-119. Disposition of taxes. (1) Cigarette taxes collected under the provisions of 16-11-111 must, in accordance with the provisions of 17-2-124, be deposited as follows:

(a) 8.3% or \$2 million, whichever is greater, in an account in the state special revenue fund to the credit of the department of public health and human services for the operation and maintenance of state veterans' nursing homes; The department of public health and human services may not expend more money from the account than is appropriated by the legislature. Subject to subsection (2) of this section, the department may not transfer funds in the account or expenditure authority related to the account pursuant to 17-7-139, 17-7-301, or 17-8-101.

(b) 2.6% in the long-range building program account provided for in 17-7-205;

(c) 44% in the ~~state special revenue fund to the credit of the~~ health and medicaid initiatives account provided for in 53-6-1201; and

(d) the remainder to the state general fund.

(2) If money in the state special revenue fund ~~and~~ account for the operation and maintenance of state veterans' nursing homes exceeds \$2 million at the end of the fiscal year, the excess must be transferred to the state general fund.

(3) The taxes collected on tobacco products, other than cigarettes, must in accordance with the provisions of 17-2-124 be deposited as follows:

(a) one-half in the state general fund; and

(b) one-half in the state special revenue fund account for health and medicaid initiatives provided for in 53-6-1201."

Section 10. Section 17-7-111, MCA, is amended to read:

"17-7-111. Preparation of state budget -- agency program budgets -- form distribution and contents. (1) (a) To prepare a state budget, the executive branch, the legislature, and the citizens of the state need information that is consistent and accurate. Necessary information includes detailed disbursements by fund type for each agency and program for the appropriate time period, recommendations for creating a balanced budget, and recommended disbursements and estimated receipts by fund type and fund category.

(b) Subject to the requirements of this chapter, the budget director and the legislative fiscal analyst shall by agreement:

(i) establish necessary standards, formats, and other matters necessary to share information between the agencies and to ensure that information is consistent and accurate for the preparation of the state's budget; and

(ii) provide for the collection and provision of budgetary and financial information that is in addition to or different from the information otherwise required to be provided pursuant to this section.

(2) In the preparation of a state budget, the budget director shall, not later than the date specified in 17-7-112(1), distribute to all agencies the proper forms and instructions necessary for the preparation of budget estimates by the budget director. These forms must be prescribed by the budget director to procure the information required by subsection (3). The forms must be submitted to the budget director by the date provided in 17-7-112(2)(a) or the agency's budget is subject to preparation based upon estimates as provided in 17-7-112(5). The budget director may refuse to accept forms that do not comply with the provisions of this section or the instructions given for completing the forms.

(3) ~~The~~ Subject to subsection (7), the agency budget request must set forth a balanced financial plan for the agency completing the forms for each fiscal year of the ensuing biennium. The plan must consist of:

(a) a consolidated agency budget summary of funds subject to appropriation or enterprise funds that transfer profits to the general fund or to an account subject to appropriation for the current base budget expenditures, including statutory appropriations, and for each present law adjustment and new proposal request setting forth the aggregate figures of the full-time equivalent personnel positions (FTE) and the budget, showing a balance between the total proposed disbursements and the total anticipated receipts, together with the other means of financing the budget for each fiscal year of the ensuing biennium, contrasted with the corresponding figures for the last-completed fiscal year and the fiscal year in progress;

(b) a schedule of the actual and projected receipts, disbursements, and solvency of each fund for the current biennium and estimated for the subsequent biennium;

(c) a statement of the agency mission and a statement of goals and objectives for each program of the agency. The goals and objectives must include, in a concise form, sufficient specific information and quantifiable information to enable the legislature to formulate an appropriations policy regarding the agency and its programs and to allow a determination, at some future date, on whether the agency has succeeded in attaining its goals and objectives.

(d) actual FTE and disbursements for the completed fiscal year of the current biennium, estimated FTE and disbursements for the current fiscal year, and the agency's request for the ensuing biennium, by program;

(e) actual disbursements for the completed fiscal year of the current biennium, estimated disbursements for the current fiscal year, and the agency's recommendations for the ensuing biennium, by disbursement category;

(f) for only agencies with more than 20 FTE, a plan to reduce the proposed base budget for the general appropriations act and the proposed state pay plan to 95% of the current base budget or lower if directed by the budget director. Each agency plan must include base budget reductions that reflect the required percentage reduction by fund type for the general fund and state special revenue fund types. Exempt from the calculations of the 5% target amounts are legislative audit costs, administratively attached entities that hire their own staff under 2-15-121, and state special revenue accounts that do not transfer their investment earnings or fund balances to the general fund. The plan must include:

(i) a prioritized list of services that would be eliminated or reduced;

(ii) for each service included in the prioritized list, the savings that would result from the elimination or reduction; and

(iii) the consequences or impacts of the proposed elimination or reduction of each service.

(g) a reference for each new information technology proposal stating whether the new proposal is included in the approved agency information technology plan as required in 2-17-523; and

(h) other information the budget director feels is necessary for the preparation of a budget.

(4) The budget director shall prepare and submit to the legislative fiscal analyst in accordance with 17-7-112:

(a) detailed recommendations for the state long-range building program. Each recommendation must be presented by institution, agency, or branch, by funding source, with a description of each proposed project.

(b) a statewide project budget summary as provided in 2-17-526;

(c) the proposed pay plan schedule for all executive branch employees at the program level by fund, with the specific cost and funding recommendations for each agency. Submission of a pay plan schedule under this subsection is not an unfair labor practice under 39-31-401.

(d) agency proposals for the use of cultural and aesthetic project grants under Title 22, chapter 2, part 3, the renewable resource grant and loan program under Title 85, chapter 1, part 6, the reclamation and development grants program under Title 90, chapter 2, part 11, and the treasure state endowment program under

1 Title 90, chapter 6, part 7.

2 (5) The board of regents shall submit, with its budget request for each university unit in accordance with
3 17-7-112, a report on the university system bonded indebtedness and related finances as provided in this
4 subsection (5). The report must include the following information for each year of the biennium, contrasted with
5 the same information for the last-completed fiscal year and the fiscal year in progress:

6 (a) a schedule of estimated total bonded indebtedness for each university unit by bond indenture;

7 (b) a schedule of estimated revenue, expenditures, and fund balances by fiscal year for each outstanding
8 bond indenture, clearly delineating the accounts relating to each indenture and the minimum legal funding
9 requirements for each bond indenture; and

10 (c) a schedule showing the total funds available from each bond indenture and its associated accounts,
11 with a list of commitments and planned expenditures from such accounts, itemized by revenue source and project
12 for each year of the current and ensuing bienniums.

13 (6) (a) The department of revenue shall make Montana individual income tax information available by
14 removing names, addresses, and social security numbers and substituting in their place a state accounting record
15 identifier number. Except for the purposes of complying with federal law, the department may not alter the data
16 in any other way.

17 (b) The department of revenue shall provide the name and address of a taxpayer on written request of
18 the budget director when the values on the requested return, including estimated payments, are considered
19 necessary by the budget director to properly analyze state revenue and are of a sufficient magnitude to materially
20 affect the analysis and when the identity of the taxpayer is necessary to evaluate the effect of the return or
21 payments on the analysis being performed.

22 (7) (a) The department of public health and human services' budget request for the 2013 biennium must
23 identify changes necessary to reduce the 2013 biennium expenditures to the level funded in the general
24 appropriations act. The department may include changes such as reducing administrative costs, developing more
25 cost-efficient methods to deliver services, limiting the number of medicaid services that adults may receive,
26 changing medicaid services included in the Montana medicaid state plan, changing eligibility or level-of-care
27 requirements for medicaid waiver services, limiting or changing services that are fully state-funded, or
28 implementing other initiatives that reduce state funds. Achieving the necessary general fund reduction in the 2013
29 biennium budget request may not include shifting costs to state special revenue funds.

30 (b) The department of public health and human services shall prepare a work plan with goals,

1 milestones, and measures to guide its review of alternatives to identify, evaluate, and select initiatives to reduce
2 ongoing state spending in its 2013 biennium budget submission. The department shall submit the work plan,
3 goals, milestones, and measures to the legislative finance committee at its first meeting after the adjournment
4 of the 2009 legislative session for its review and comment. The department shall provide an update of its budget
5 reduction for review and comment at each legislative finance committee meeting in a format developed with and
6 agreed upon by the committee."

7
8 **Section 11.** Section 47-1-201, MCA, is amended to read:

9 **"47-1-201. Office of state public defender -- personnel -- compensation -- expenses -- reports. (1)**

10 There is an office of state public defender. The office must be located in Butte, Montana. The head of the office
11 is the chief public defender, who is supervised by the commission.

12 (2) The chief public defender must be an attorney licensed to practice law in the state. The chief public
13 defender is appointed by and serves at the pleasure of the commission. The position of chief public defender is
14 exempt from the state classification and pay plan, as provided in 2-18-103. The commission shall establish
15 compensation for the position commensurate with the position's duties and responsibilities, taking into account
16 the compensation paid to prosecutors with similar responsibilities.

17 (3) The chief public defender shall hire or contract for and supervise other personnel necessary to
18 perform the function of the office and to implement the provisions of this chapter, including but not limited to:

19 (a) the following personnel who are exempt from the state classification and pay plan, as provided in
20 2-18-103:

21 (i) an administrative director, who must be experienced in business management and contract
22 management;

23 (ii) a chief appellate defender;

24 (iii) a chief contract manager to oversee and enforce the contracting program;

25 (iv) a training coordinator, appointed as provided in 47-1-210;

26 (v) deputy public defenders, as provided in 47-1-215; and

27 (b) assistant public defenders; and

28 (c) other necessary administrative and professional support staff for the office.

29 (4) Positions established pursuant to subsections (3)(b) and (3)(c) are classified positions, and persons
30 in those positions are entitled to salaries, wages, benefits, and expenses as provided in Title 2, chapter 18.

1 (5) ~~Beginning July 1, 2006, the~~ The following expenses are payable by the office if the expense is
2 incurred at the request of a public defender:

3 (a) witness and interpreter fees and expenses provided in Title 26, chapter 2, part 5, and 46-15-116; and

4 (b) transcript fees, as provided in 3-5-604.

5 (6) If the costs to be paid pursuant to this section are not paid directly, reimbursement must be made
6 within 30 days of the receipt of a claim.

7 (7) The office may accept gifts, grants, or donations, which must be deposited in the account provided
8 for in 47-1-110.

9 (8) The chief public defender shall establish procedures to provide for the approval, payment, recording,
10 reporting, and management of defense expenses paid pursuant to this section.

11 (9) (a) The office of public defender is required to report data for each fiscal year representing the
12 caseload for the entire public defender system to the legislative finance committee. The report must include data
13 for both employee and contract attorneys, the number of new cases opened, the number of cases closed, the
14 number of cases that remain open and active, the number of cases that remain open but are inactive, and the
15 average number of days between case opening and closure for each case type. The report for fiscal year 2009
16 must be provided to the legislative finance committee by January 1, 2010, and the report for fiscal year 2010 must
17 be provided to the legislative finance committee by September 30, 2010.

18 (b) The office of public defender is required to report to the legislative finance committee for each fiscal
19 year on the amount of funds collected as reimbursement for services rendered, including the number of cases
20 for which a collection is made, the number of cases for which an amount is owed, the amount collected, and the
21 amount remaining unpaid. The report for fiscal year 2009 must be provided to the legislative finance committee
22 by January 1, 2010, and the report for fiscal year 2010 must be provided to the legislative finance committee by
23 September 30, 2010."

24
25 **Section 12.** Section 53-4-212, MCA, is amended to read:

26 **"53-4-212. Department to ~~make~~ adopt rules.** (1) The department shall ~~make~~ adopt rules and take
27 action as necessary or desirable for the administration of public assistance programs.

28 (2) ~~The~~ Subject to subsection (3), the department shall adopt rules that may include but are not limited
29 to rules concerning:

30 (a) eligibility requirements, including gross and net income limitations, resource limitations, and income

1 and resource exclusions;

2 (b) amounts of assistance, methods for computing benefit amounts, and the length of time for which
3 benefits may be granted;

4 (c) the degree of kinship required for a person to qualify as a specified caretaker relative in order to be
5 eligible for assistance;

6 (d) procedures and policies for employment and training programs, requirements for participation in
7 employment and training programs, and exemptions, if any, from participation requirements;

8 (e) requirements for specified caretaker relatives, including cooperation with assessments, the number
9 of hours of participation required for each month, specific activities required to address employment barriers, and
10 other terms of performance;

11 (f) eligibility for and terms and conditions of child-care assistance for financial assistance recipients,
12 including maximum amounts of assistance payable and amounts of copayments required by specified caretaker
13 relatives;

14 (g) eligibility criteria and participation requirements for nonfinancial assistance recipients;

15 (h) terms of ineligibility or sanctions against a specified caretaker relative or other family member who
16 fails to enter into a family investment agreement, as provided for in 53-4-606, or to comply with the individual's
17 obligations under the agreement, including the length of the period of ineligibility, if any;

18 (i) requirements, if any, for participation in the employment and training demonstration project;

19 (j) eligibility for and terms and conditions of extended medical assistance benefits;

20 (k) reporting requirements;

21 (l) sanctions, disqualification, or other penalties for failure or refusal to comply with the rules or
22 requirements of a public assistance program;

23 (m) exemptions from the 60-month limitation on assistance provided in 53-4-231 based on hardship or
24 for families that include an individual who has been battered or subjected to extreme cruelty, as defined in section
25 103 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, 42 U.S.C. 608, including
26 but not limited to the duration of the exemption;

27 (n) individuals who must be included as members of an assistance unit;

28 (o) categories of aliens who may receive assistance, if any;

29 (p) requirements relating to the assignment of child and medical support rights and cooperation in
30 establishing paternity and obtaining child and medical support;

(q) requirements for eligibility and other terms and conditions of other programs to strengthen and preserve families;

(r) special eligibility or participation requirements applicable to teenage parents, if any;

(s) conditions under which assistance may be continued when an adult or a dependent child is temporarily absent from the home and the length of time for which assistance may be continued;

(t) any random drug testing or reporting requirements for persons who are required to comply with the conditions provided under 53-4-231(3) and graduated sanctions that may include terms of ineligibility for violations of conditions of supervision or treatment requirements. The department may enter into agreements with the department of corrections regarding testing and reporting on offenders under the supervision of the department of corrections.

(u) approved educational programs, appropriate educational courses of study, employee assessment instruments, and administration of the Montana parents as scholars program provided for in 53-4-209.

(3) By October 1, 2009, the department shall adopt rules establishing a net income limit of 250% of the current federal poverty level for federal funds or state general fund money used for participating families in the child care for working caretaker relatives program. The department may incorporate an earned income work disregard of \$200 and an additional 25% disregard from the household's gross income to determine the household's net income.

Section 13. Section 75-10-704, MCA, is amended to read:

"75-10-704. Environmental quality protection fund. (1) ~~There~~ Subject to legislative fund transfers, ~~there~~ is in the state special revenue fund an environmental quality protection fund to be administered as a revolving fund by the department. The department is authorized to expend amounts from the fund necessary to carry out the purposes of this part.

(2) The fund may be used by the department only to carry out the provisions of this part and for remedial actions taken by the department pursuant to this part in response to a release of hazardous or deleterious substances.

(3) The department shall:

(a) except as provided in subsection (7), establish and implement a system, including the preparation of a priority list, for prioritizing sites for remedial action based on potential effects on human health and the environment; and

(b) investigate, negotiate, and take legal action, as appropriate, to identify liable persons, to obtain the participation and financial contribution of liable persons for the remedial action, to achieve remedial action, and to recover costs and damages incurred by the state.

(4) There must be deposited in the fund:

(a) all penalties, forfeited financial assurance, natural resource damages, and remedial action costs recovered pursuant to 75-10-715;

(b) all administrative penalties assessed pursuant to 75-10-714 and all civil penalties assessed pursuant to 75-10-711(5);

(c) funds allocated to the fund by the legislature;

(d) proceeds from the resource indemnity and ground water assessment tax as authorized by 15-38-106;

(e) funds received from the interest income of the resource indemnity trust fund pursuant to 15-38-202;

(f) funds received from the interest income of the fund;

(g) funds received from settlements pursuant to 75-10-719(7); and

(h) funds received from the interest paid pursuant to 75-10-722.

(5) Whenever a legislative appropriation is insufficient to carry out the provisions of this part and additional money remains in the fund, the department shall seek additional authority to spend money from the fund through the budget amendment process provided for in Title 17, chapter 7, part 4.

(6) Whenever the amount of money in the fund is insufficient to carry out remedial action, the department may apply to the governor for a grant from the environmental contingency account established pursuant to 75-1-1101.

(7) (a) There is established a state special revenue account for all funds donated or granted from private parties to remediate a specific release at a specific facility. There must be deposited into the account the interest income earned on the account. A person is not liable under 75-10-715 solely as a result of contributing to this account.

(b) Funds donated or granted for a specific project pursuant to this subsection (7) must be accumulated in the fund until the balance of the donated or granted funds is sufficient, as determined by the department, to remediate the facility pursuant to the requirements of 75-10-721 for which the funds are donated.

(c) If the balance of the fund created in this subsection (7), as determined by the department pursuant to the requirements of 75-10-721, is not sufficient to remediate the facility within 1 year from the date of the initial contribution, all donated or granted funds, including any interest on those donated or granted funds, must be

1 returned to the grantor.

2 (d) If the balance for a specific project is determined by the department to be sufficient to remediate the
3 facility pursuant to the requirements of 75-10-721, the department shall give that site high priority for remedial
4 action, using the funds donated under this subsection (7).

5 (e) This subsection (7) is not intended to delay, to interfere with, or to diminish the authority or actions
6 of the department to investigate, negotiate, and take legal action, as appropriate, to identify liable persons, to
7 obtain the participation and financial contribution of liable persons for the remedial action, to achieve remedial
8 action, and to recover costs and damages incurred by the state.

9 (f) The department shall expend the funds in a manner that maximizes the application of the funds to
10 physically remediating the specific release.

11 (8) (a) A person may donate in-kind services to remediate a specific release at a specific facility pursuant
12 to subsection (7). A person who donates in-kind services is not liable under 75-10-715 solely as a result of the
13 contribution of in-kind services.

14 (b) A person who donates in-kind services with respect to remediating a specific release at a specific
15 facility is not liable under this part to any person for injuries, costs, damages, expenses, or other liability that
16 results from the release or threatened release, including but not limited to claims for indemnification or
17 contribution and claims by third parties for death, personal injury, illness, loss of or damage to property, or
18 economic loss.

19 (c) Immunity from liability, pursuant to subsection (8)(b), does not apply in the case of a release that is
20 caused by conduct of the entity providing in-kind services that is negligent or grossly negligent or that constitutes
21 intentional misconduct.

22 (d) When a person is liable under 75-10-715 for costs or damages incurred as a result of a release or
23 threatened release of a hazardous or deleterious substance, the person may not avoid that liability or
24 responsibility under 75-10-711 by subsequent donations of money or in-kind services under the provisions of
25 subsection (7) and this subsection (8).

26 (e) Any donated in-kind services that are employed as part of a remedial action pursuant to this
27 subsection (8) must be approved by the department as appropriate remedial action."
28

29 **Section 14.** Section 80-6-1109, MCA, is amended to read:

30 **"80-6-1109. Fees to be set by rule -- self-supporting program -- ~~enterprise fund~~ account**

1 **established.** (1) Fees authorized to be charged by this part must be set by committee rule. The fees must be
2 designed to reimburse the committee for costs incurred in providing services and carrying out its duties under
3 this part. It is the intent of the legislature that committee activities under this part be self-supporting.

4 (2) There is an ~~enterprise~~ account in the state special revenue fund known as the leaf-cutting bee ~~fund~~
5 account for use by the committee. Fees collected under this part must be paid into the leaf-cutting bee ~~fund~~
6 account.

7 (3) The committee may direct the board of investments to invest money from the ~~fund~~ account pursuant
8 to the provisions of the unified investment program. The income from ~~such~~ investments must be credited to the
9 leaf-cutting bee ~~fund~~ account."

10
11 **Section 15.** Section 85-2-280, MCA, is amended to read:

12 **"85-2-280. (Temporary) Water adjudication account.** (1) There is a water adjudication account within
13 the state special revenue fund created in 17-2-102.

14 (2) (a) ~~For Subject to legislative fund transfers, for the period beginning July 1, 2005, and ending June~~
15 30, 2015, there is allocated to the department and the water court up to \$2.6 million, plus the approved inflation
16 factor contained in the revenue estimating resolution, each fiscal year from the water adjudication account for the
17 sole purpose of funding the water adjudication program. These funds may not be used for the purpose of updating
18 or maintaining a computer database.

19 (b) For the period beginning July 1, 2015, and ending June 30, 2020, there is allocated to the department
20 and the water court up to \$1 million, plus the approved inflation factor contained in the revenue estimating
21 resolution, each fiscal year from the account for the sole purpose of funding the water adjudication program.

22 (c) The allocations in subsections (2)(a) and (2)(b) are subject to appropriation by the legislature.

23 (3) Interest and income earnings on the water adjudication account must be deposited in the account.

24 (4) Money remaining in the water adjudication account on June 30, 2020, must be transferred to the
25 water right appropriation account provided for in 85-2-318.

26 (5) If the accountability benchmarks contained in 85-2-271 are not met, expenditures from the account
27 in the previous biennium may not be included in the department's base budget, as defined in 17-7-102, for the
28 current biennium. (Terminates June 30, 2020--sec. 18, Ch. 288, L. 2005; sec. 11, Ch. 319, L. 2007.)"

29
30 NEW SECTION. **Section 16. Emergency medical services grants.** The department of transportation

1 shall report to the governor and the legislative finance committee not later than November 1 of the year preceding
2 a regular session of the legislature regarding emergency medical services grants that are awarded during each
3 biennium. The report must include a listing of all grant requests and a listing of grants awarded, including a
4 summary of the use of grant funds.

5
6 **NEW SECTION. Section 17. Fund transfers.** (1) There is transferred \$2,064,139 from the water
7 adjudication state special revenue account provided for in 85-2-280 to the natural resources operations state
8 special revenue account established in 15-38-301.

9 (2) There is transferred \$600,000 from the environmental quality protection fund established in 75-10-704
10 to the natural resources operations state special revenue account established in 15-38-301.

11
12 **NEW SECTION. Section 18. Repealer.** Sections 15-30-169, 50-44-101, 50-44-102, and 50-44-103,
13 MCA, are repealed.

14
15 **NEW SECTION. Section 19. Codification instruction.** [Section 16] is intended to be codified as an
16 integral part of Title 61, chapter 2, and the provisions of Title 61, chapter 2, apply to [section 16].

17
18 **NEW SECTION. Section 20. Effective date.** [This act] is effective July 1, 2009.

19
20 **NEW SECTION. Section 21. Retroactive applicability.** [Section 7] applies retroactively, within the
21 meaning of 1-2-109, to the fiscal year ending June 30, 2009.

22
23 **NEW SECTION. Section 22. Termination.** [Section 9] terminates June 30, 2011.

24 - END -